

<b>POLICY NO.</b>	A.14
<b>POLICY SUBJECT</b>	Light Fleet Vehicle Purchasing
<b>ADOPTED</b>	25 May 2017 (C.09/0517)
<b>LAST VARIATION DATE</b>	27 February 2020 (C.04/0220)
<b>LAST REVIEW DATE</b>	26 November 2020 (C.05/1120)

### **Policy Objective**

The purpose of this policy is to provide details of the Councils requirements when providing vehicles for use by employees for both business and private use. The policy ensures that the Shire's fleet meets the highest standards practicable in relation to safety, the environment, cost and position requirements.

### **Vehicle Selection**

Vehicle selection shall be based on 5 criteria:

<b>No.</b>	<b>Criteria</b>	<b>Description</b>
1	Fit for Purpose	The light vehicle fleet should be functional and versatile with vehicles tailored to the needs of specific positions where required.
2	Service Support	The vehicle must have a minimum 5 year/120,000km standard or extended warranty and service support must be available within the South-West Region.
3	Safety	Setting a minimum standard for vehicle safety is considered appropriate on the basis of organisational risk management as well as corporate responsibility. Safety is assessed by Australian New Car Assessment Program (ANCAP) ratings on a scale of 1-5. These ratings are a guide of the potential injury risk if involved in an accident. All vehicles within the light vehicle fleet should have a minimum Australian New Car Assessment Program (ANCAP) rating of four stars.
4	Environment	<p>In Australia all new vehicles are required to comply with ADR 79/04 - Emission Control for Light Vehicles, which adopts the full requirements of the international standard developed through the United Nations World Forum for the Harmonisation of Vehicle Regulations (UN Regulation 83/06), commonly known as Euro 5. Diesel vehicles are required to meet a particle number limit to comply with this standard.</p> <p>Under this Council Policy light fleet vehicles are also required to meet a specified emission target as recommended by the Western Australian Government's Motor Vehicles Buyers Guide. The emissions target is expressed in grams of CO<sub>2</sub> per kilometre (g/km) and is based on the fuel consumption ratings that manufacturers are required to provide for their vehicles.</p>

		<p>The g/km measure is used because the g/km figure is applicable regardless of fuel type. The calculation takes account of the different emission characteristics of petrol, LPG and diesel.</p> <p>The National Greenhouse and Energy Reporting System’s measurement technique of CO2 emissions from the Australian Greenhouse Office is used to calculate the g/km emissions. Vehicles beyond the specified targets may only be selected where there is a clear operational requirement.</p> <p>The CO2 threshold is <u>185g/km</u> for passenger vehicles and <u>195g/km</u> for SUV’s.</p> <p>The CO2 measurements of each vehicle being considered for purchase are to be assessed as part of the weighted assessment process outlined elsewhere in this Policy.</p> <p>Light Commercial vehicles have no specific benchmark cap due to the many different categories of vehicles. However, when purchasing such vehicles consideration is to be given to an appropriately fuel-efficient vehicle subject to Fit for Purpose, Safety and Whole-Of-Life-Cost factors.</p>
5	Economic	Average annual whole of life costs based on 20,000km shall be used to provide a cost comparison between vehicles that meet the fit for purpose requirements for the position.

### **Purchasing Process**

The purchasing process is to be guided by a weighted assessment of all quotes, taking into account safety, environment and economic criteria. The weightings are:

<b>Criteria</b>	<b>Weighting (%)</b>
Annual Whole of Life Costs (including fuel consumption and FBT)	70
Safety	15
Environment	15

### **Optimum Replacement/Changeover Timing**

The optimum replacement timing for light fleet changeover is **5 years/120,000km** whichever occurs first.

### **Vehicle Disposal**

Options for disposal include:

- Trade-in to dealer supplying the new vehicle
- Disposal by public auction through a reputable auction facility; or
- Tender

The most cost effective method of disposal for each vehicle shall be based on the trade offer compared to the likely return at public auction or tender.

**Specific Requirements for Vehicles and Maximum Capital Outlay**

The vehicle requirements of staff are based on their work duties including types of areas and terrain to be accessed, passenger requirements, type of driving (frequency, darkness, etc.).

Maximum capital outlay is to include the purchase of the vehicle and all standard inclusions but doesn't include licensing and/or stamp duty.

The following table briefly summarises the requirements for specific positions or levels of position:

<b>Vehicle/Position</b>	<b>General Requirements</b>	<b>Maximum Capital Outlay (Ex-GST)</b>	<b>Non Standard Inclusions</b>
CEO	Luxury sedan or 4WD/AWD SUV suitable for accommodating minimum 5 persons to attend meetings. Significant night time driving, including long journeys, required for meeting attendance	\$56,000	Roo/Bull Bar with spotlights (\$3,000)
EMDI	Executive 4WD/AWD SUV suitable to access works sites. Vehicle to accommodate minimum 5 persons to attend meetings.	\$42,000	Roo/Bull Bar with spotlights (\$3,000)
EMCOR, EMCS	Executive 2WD/AWD sedan or SUV suitable for accommodating 5 persons.	\$36,000	
MP, MEH, PBS, MTS, MBAP	Standard 2WD sedan or SUV suitable for accommodating 5 persons.	\$26,000	Roof Rack for MBAP (\$500)
Works Supervisor	4WD utility suitable to access works sites. Crew Cab preferred to enable transport of other workers to job sites	\$38,000	Roo/Bull Bar with spotlights (\$3,000)  External Toolboxes (\$2,000)  Canvas Seat Covers (\$600)

			External Spotlight (\$225)
Parks Supervisor	4WD utility suitable to access works sites and/or reserves. Crew Cab preferred to enable transport of other workers	\$38,000	Canvas Seat Covers (\$600)
Other Parks	2WD utility (no space or crew cab)	\$26,000	Canvas Seat Covers (\$600)
Mechanic	2WD utility (no space or crew cab).	\$26,000	Canvas Seat Covers (\$600)
Rangers	4WD utility due to need to access fire grounds. Space cab preferred to allow for storage of administrative items	\$34,000	Roo/Bull Bar with spotlights (\$3,000) Emergency Light Bar (\$1,300) External Toolboxes (\$2,000) Canvas Seat Covers (\$600) Emergency Striping and Logos (\$2,000)
Depot Store	2WD utility (no space or crew cab).	\$26,000	Canvas Seat Covers (\$600)
Building Maintenance	2WD utility (no space or crew cab)	\$26,000	External Toolboxes (\$2,000) Roof Rack (\$2,500) Canvas Seat

			Covers (\$600)
Grader	2WD utility (no space or crew cab)	\$26,000	Canvas Seat Covers (\$600)
Fast Attack Fire Fighting	4WD utility (space cab preferred)	\$34,000	Roo/Bull Bar with spotlights (\$3,000)  Emergency Light Bar (\$1,300)  Canvas Seat Covers (\$600)  Emergency Striping and Logos (\$2,000)  Siren (\$1,000)
Bushfire Support	4WD/AWD SUV or Station Wagon suitable for transporting up to 7 persons on long journeys for fire attendance, crew changeover	\$38,000	Roo/Bull Bar with spotlights (\$3,000)  Emergency Light Bar (\$1,300)  Canvas Seat Covers (\$600)  Emergency Striping and Logos (\$2,000)  External Spotlight (\$225)
Bushfire Logistics	2WD utility (no space or crew cab)	\$26,000	Roo/Bull Bar with spotlights

			(\$3,000)
			Emergency Light Bar (\$1,300)
			Canvas Seat Covers (\$600)
			Emergency Striping and Logos (\$2,000)

Where a current contract of employment (including a renewal of an existing contract) stipulates a specific type of vehicle the terms of the contract are to have priority over the terms of this policy. In circumstances where contract staff departs the organisation the CEO is to ensure that any new contract factors in the contents of this policy.

### **Standard Inclusions**

Laminated tinted windows, factory air conditioning, mud flaps, lockable fuel cap, electric windows, cruise control, floor mats, tow bar and ball with electrical plug, logo decals for operational vehicles

### **Non-Standard Inclusions**

Lockable canopy covers for a tray back utility can be included as a standard inclusion where large size work tools need to be securely stored.

The cost of non-standard inclusions is not included in the maximum capital outlay ceiling specified elsewhere in this policy. The amounts specified in the applicable column of the vehicle specification table are estimates only.

At the time of seeking quotes for changeover of a vehicle an assessment will be made on whether any of the non-standard inclusions can be removed and reinstalled on the new vehicle. This is particularly relevant for a roof rack, external toolboxes, canvas seat covers, light bars, spotlights and sirens. It is noted that it is unlikely to be cost efficient to remove and reinstall a roof/bull bar.

### **Novated Leases**

Novated and Operating Leases – These modes of fleet management will only be considered when and if they offer proven financial advantage to the Shire.

### **Fringe Benefit Tax**

Council is responsible for all fringe benefit tax associated with private use of the Council vehicle and these costs are reflected in the value placed on private use of the vehicle in the remuneration packages of relevant officers.

The Chief Executive Officer reserves the right to rotate vehicles to ensure maximum utilisation and a reduction of Fringe Benefit Tax liability to the Council.

**Value of Vehicle Private Use component in Employee Remuneration Package**

The value of the private use component of the vehicle is as shown in individual contracts of employment or in the case of uncontracted staff in specific agreements or letters of appointment.